

MAY 4, 2023

Thinking forward  
for schools and  
communities.



DS&C

STOCKTON UNIFIED SCHOOL DISTRICT  
CITIZENS' OVERSIGHT COMMITTEE



548 Market Street, Suite 44410 | San Francisco, CA 94104 | 415.956.1030 | [www.dalescott.com](http://www.dalescott.com)

# Critical Steps: Pre-Election

---

1

Select Election Date

2

Initial Debt Structure Analysis

3

Voter Survey

4

Finalize Debt Structure

5

Resolution/ Ballot Language/ Project List/ TRS

## Critical Steps: Post-Election

---

6

Sale of Bonds

7

Appointment of CBOC

8

Filing of Continuing Disclosure

9

Additional Reference

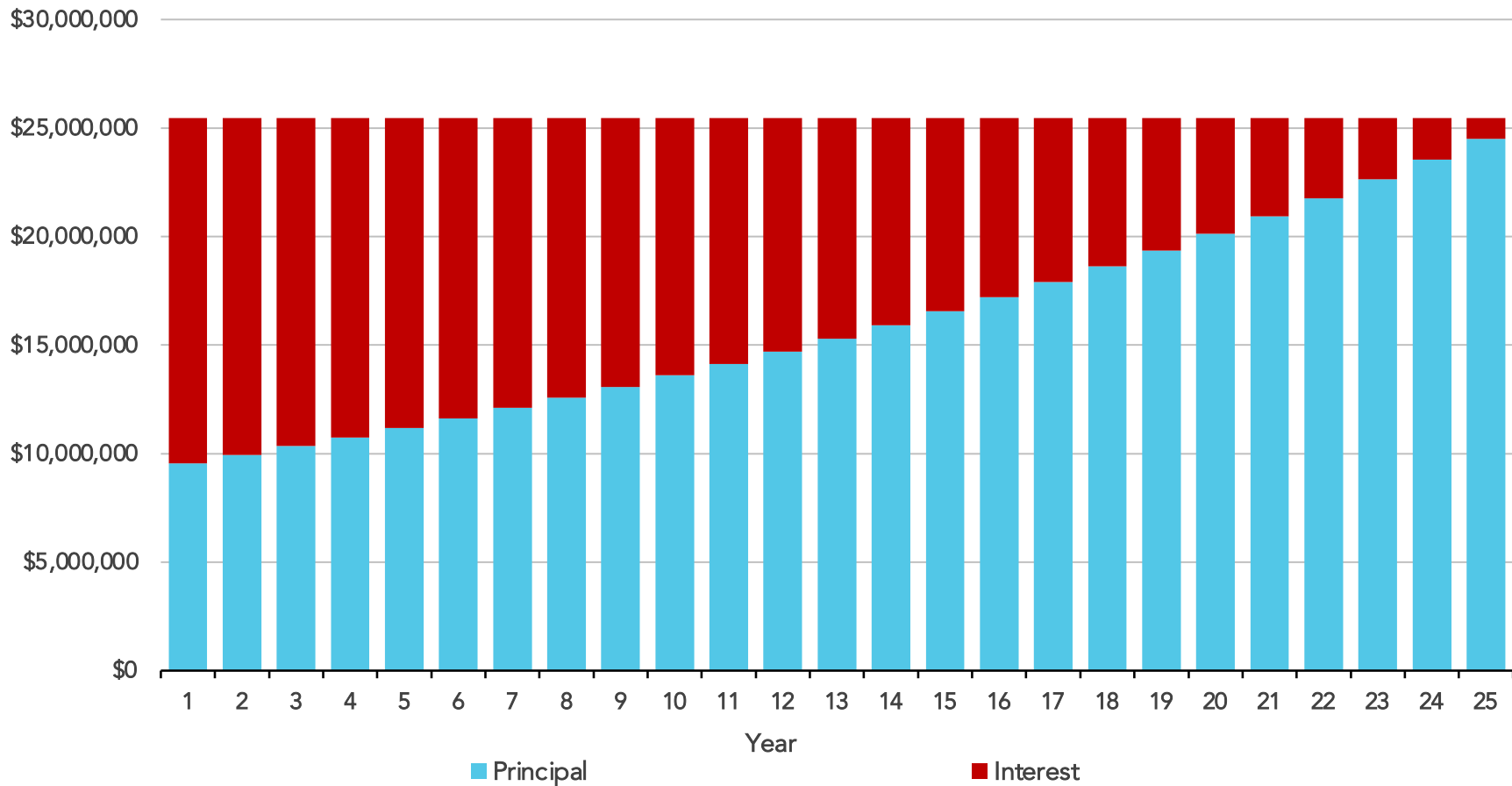


## INITIAL DEBT STRUCTURE ANALYSIS

# Initial Debt Structure Analysis: How Bonds are Structured

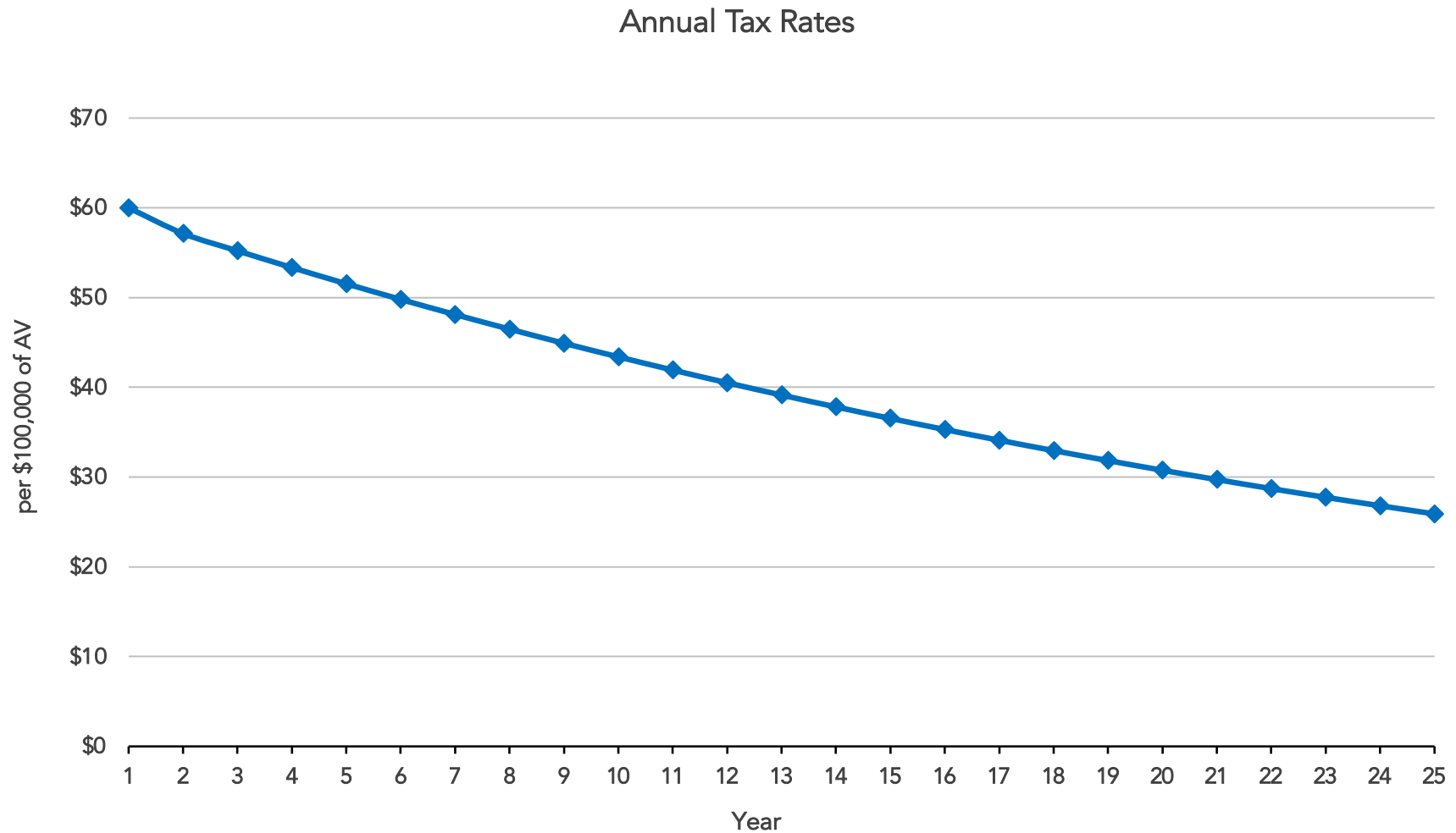
## BONDS STRUCTURED WITH LEVEL DEBT SERVICE

Level Debt Service



# Initial Debt Structure Analysis: How Bonds are Structured

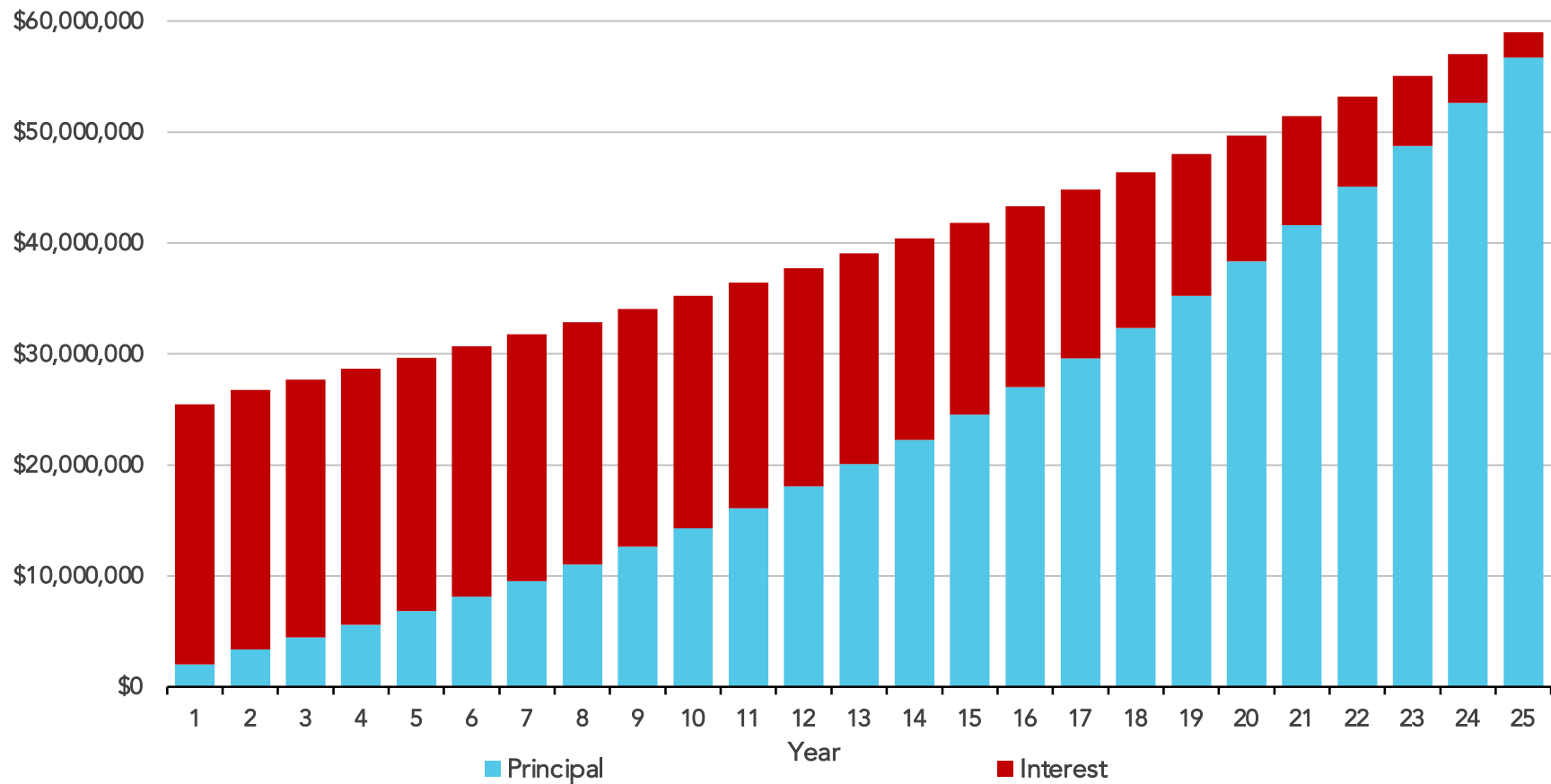
## LEVEL DEBT SERVICE PRODUCES DESCENDING TAX RATES



# Initial Debt Structure Analysis: How Bonds are Structured

## BONDS STRUCTURED WITH ASCENDING DEBT SERVICE

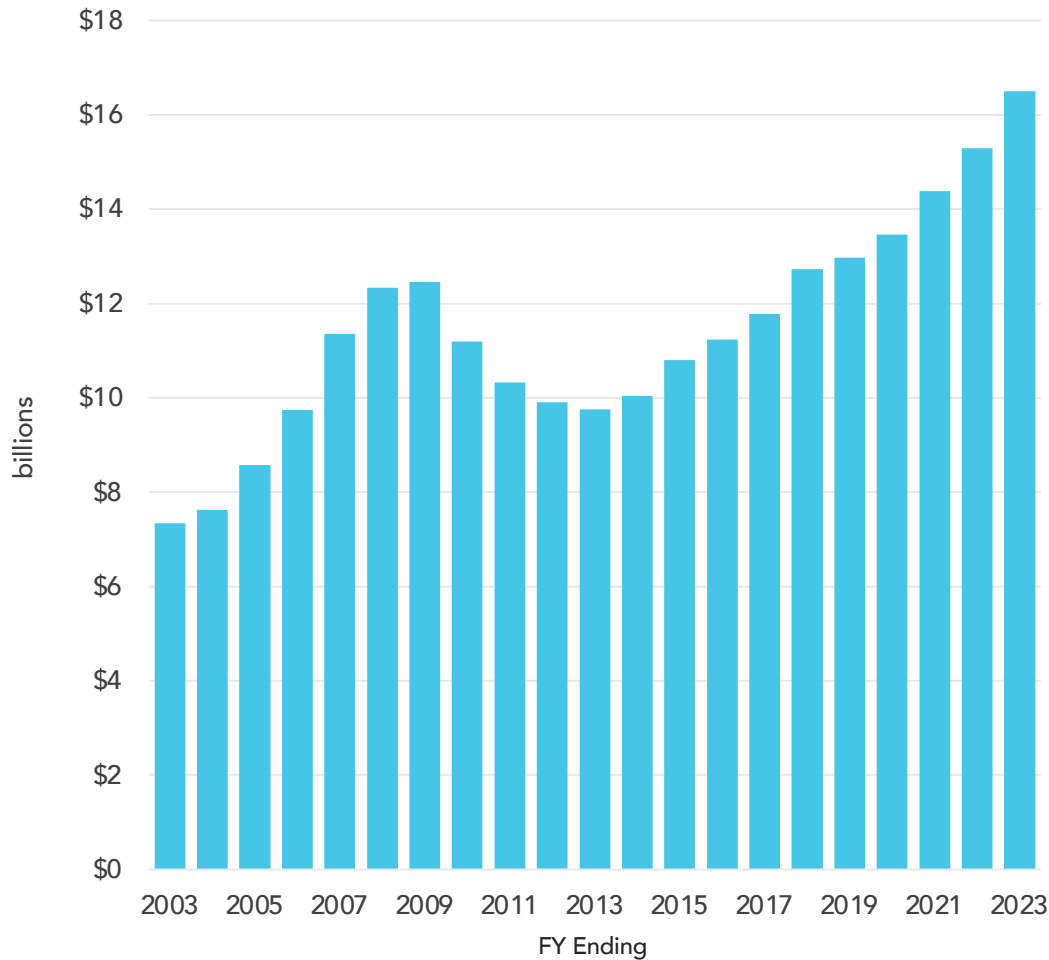
Ascending Debt Service



# Initial Debt Structure Analysis: Assessed Valuation

**DISTRICT AV HAS GROWN MORE THAN 22% OVER THE PAST THREE YEARS**

Assessed Valuation



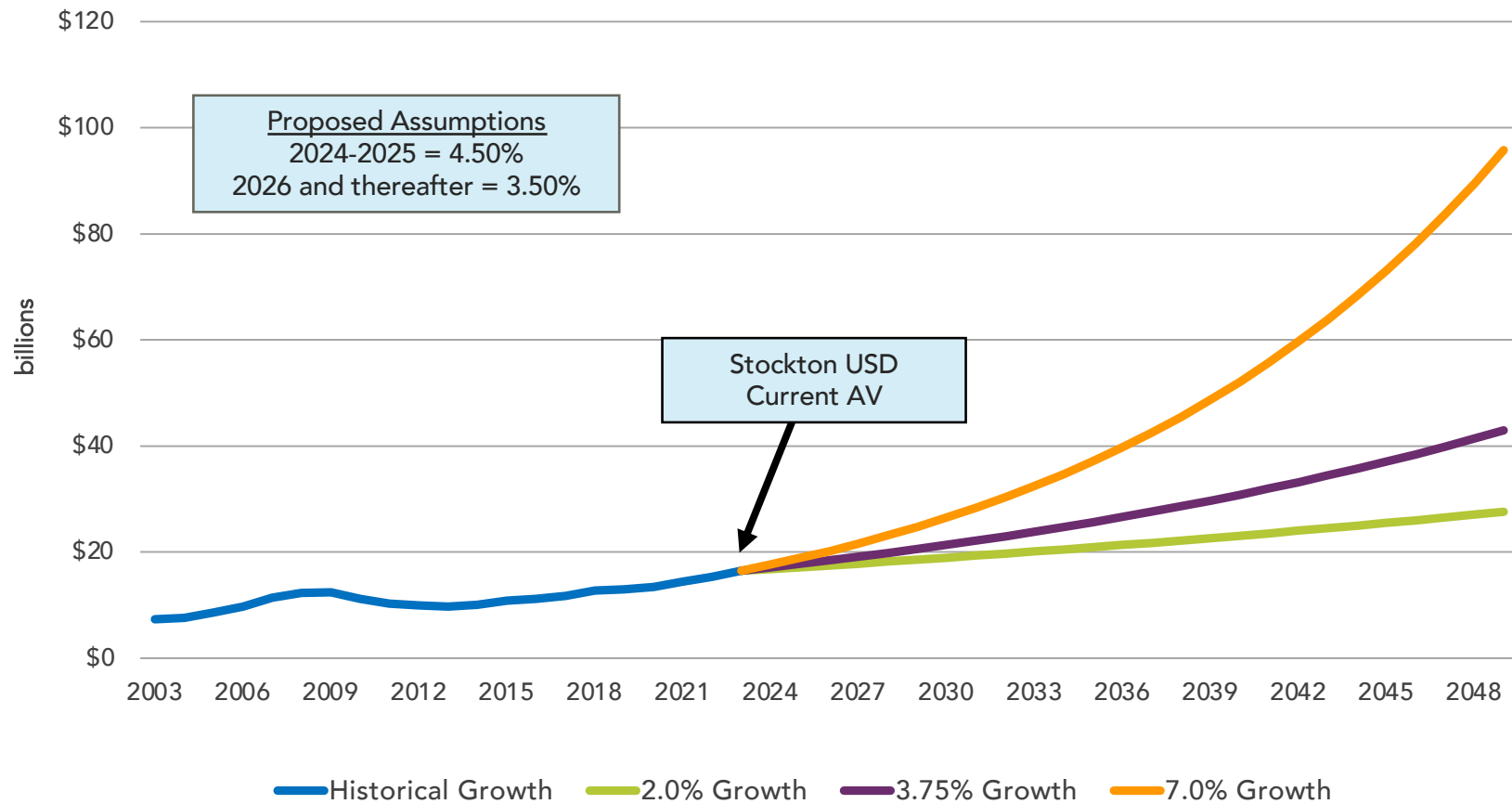
Assessed Valuation: 2003 to Present		
FY Ending	(billions)	% change
2003	\$6.3	-
2004	\$6.9	3.9%
2005	\$7.0	12.3%
2006	\$7.5	13.7%
2007	\$8.2	16.6%
2008	\$9.6	8.5%
2009	\$10.5	1.1%
2010	\$10.3	-10.2%
2011	\$10.1	-7.8%
2012	\$9.9	-4.0%
2013	\$9.9	-1.5%
2014	\$10.5	2.8%
2015	\$10.8	7.6%
2016	\$11.5	4.0%
2017	\$11.8	4.9%
2018	\$12.1	8.0%
2019	\$12.6	2.0%
2020	\$13.1	3.8%
2021	\$13.5	6.9%
2022	\$13.8	6.3%
2023	\$14.6	7.8%
<b>5 Year Average</b>		<b>5.3%</b>
<b>10 Year Average</b>		<b>5.4%</b>
<b>20 Year Average</b>		<b>4.1%</b>

Source: California Municipal Statistics



# Initial Debt Structure Analysis: AV Growth Projections

Assessed Valuation Projections



# Initial Debt Structure Analysis: Single-Family Home AV

## PER PARCEL 2022-23 AV OF SINGLE-FAMILY HOMES

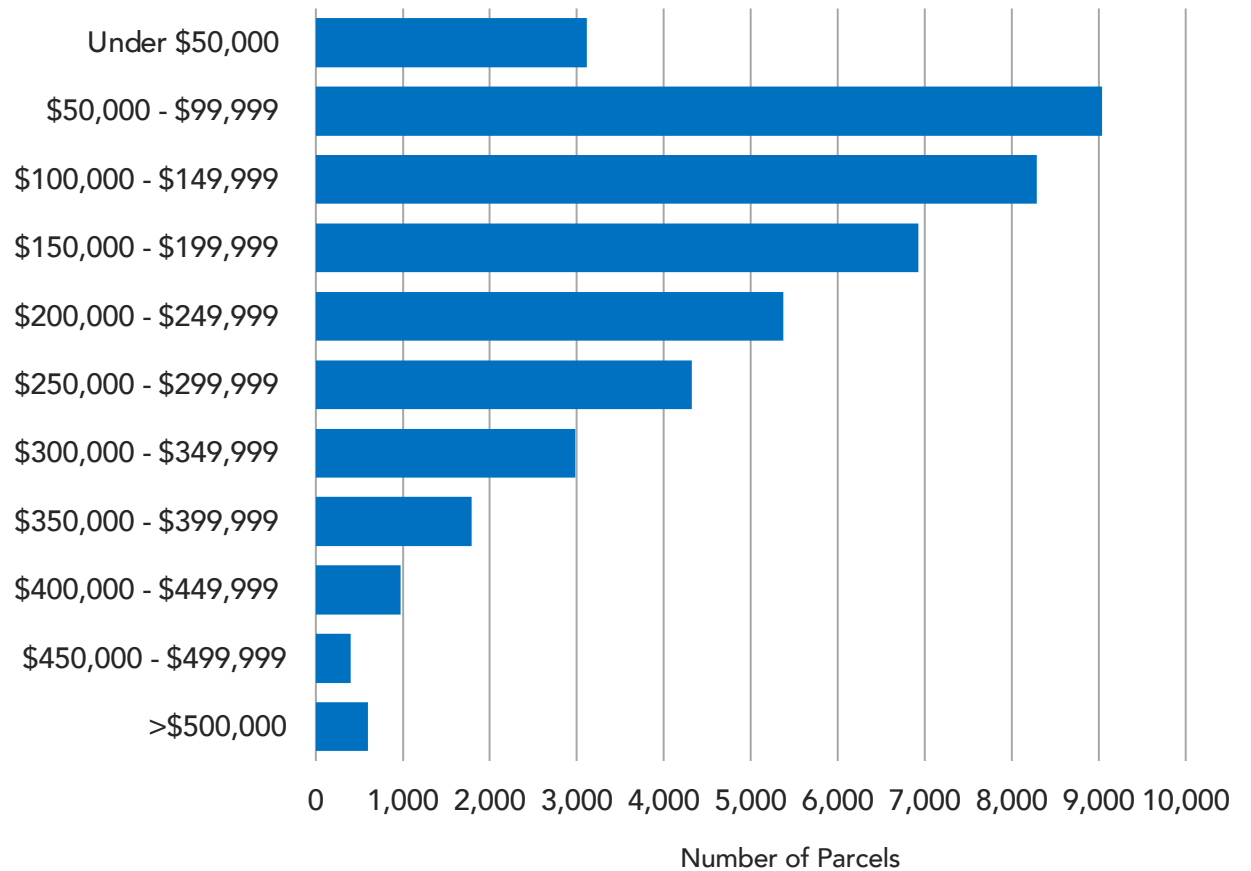
**Stockton USD 2022-23  
Single-Family Homes**

No. of Parcels  
43,818

2022-23 SFH Assessed Valuation  
\$8,008,225,780

Average Assessed Valuation  
\$182,761

Median Assessed Valuation  
\$158,550



Source: California Municipal Statistics

# Past Elections

## PAST STOCKTON USD BOND MEASURES STRONGLY SUPPORTED

Stockton USD GO Bond Election						
Election Date	Amount	Measure	Type	% Yes	Pass/Fail	Amount Unissued
November 2022	\$215,000,000	C	Prop 39	70.73%	Pass	\$215,000,000
June 2018	\$156,380,000	C	Prop 39	63.3%	Pass	\$28,380,000
November 2014	\$114,000,000	E	Prop 39	67.4%	Pass	\$95,640,000
November 2012	\$156,000,000	E	Prop 39	74.5%	Pass	\$0
February 2008	<del>\$464,500,000<sup>(1)</sup></del> \$152,120,000	Q	Prop 39	68.3%	Pass	\$0
November 2005	\$120,000,000	C	Prop 39	69.4%	Pass	\$0
November 2000	\$80,000,000	G	Two-Thirds	76.7%	Pass	\$0

<sup>(1)</sup>Total authorized amount was decreased by \$156 million and \$156.38 million and reauthorized under the 2012 Election and 2018 Election, respectively. Source: Ed-Data.org



RESOLUTION/BALLOT LANGUAGE/PROJECT LIST/TRS

## Measure E (2014)

---

### MEASURE E GO BOND BALLOT LANGUAGE

#### Measure E (2022)

“To increase student access to computers; maintain and upgrade educational technology; upgrade classroom security systems for increased student safety; upgrade technology servers, routers, switches and storage area networks; and significantly reduce borrowing costs, shall Stockton Unified School District issue \$114,000,000 of short-term bonds with the interest rates at or below the legal limit, independent citizen oversight, and no money for administrator salaries, so long as all funds are spent locally and cannot be taken by the State?”

## Measure C (2018)

---

### MEASURE C GO BOND BALLOT LANGUAGE

#### Measure C (2018)

“To repair and improve our schools; upgrade fire alarms, repair leaky pipes and roofs and rehabilitate existing classrooms, shall \$156.38 million of Stockton Unified School District’s bonds, approved in 2008, be reauthorized as new bonds, with legal rates, an average tax levy of 4.9 cents per \$100 of assessed valuation while bonds are outstanding (averaging \$10.8 million per year), annual audits, independent taxpayer oversight and no increase in total authorized District debt or current tax rates?”

## Measure C (2022)

---

### MEASURE C GO BOND BALLOT LANGUAGE

#### Measure C (2022)

“To improve local schools with funds that cannot be taken by the State, shall Stockton Unified School District’s measure to expand career/technical education training facilities including engineering, health care and information technology; repair roofs/plumbing; and improve student safety/classroom security be adopted, authorizing \$215 million of bonds with legal rates, projected levies averaging below 5¢/\$100 of assessed valuation (averaging \$14 million/year for 28 years), annual audits, independent oversight and no increase in current tax rates?”



## APPOINTMENT OF THE CBOC



# CBOC Members

---

## Seven CBOC Members

- ✓ A person active in a business organization representing the business community with the district
- ✓ A person active in a senior citizens' organization
- ✓ A person active in a taxpayers' association
- ✓ A parent/guardian of a child enrolled in the District
- ✓ A parent/guardian of a child enrolled in the District who is active in parent/teacher organization
- ✓ Two at-large members

## Who is Ineligible for Membership?

- Board members or district employees
- District vendors, contractors or consultants

## Duties of the CBOC

- ✓ Review annual, independent financial and performance audits performed by an independent consultant
- ✓ Inspect school facilities and grounds to ensure that bond revenues are expended in compliance with the law
- ✓ Review any deferred maintenance proposals or plans
- ✓ Submit an annual report to the board

## Powers NOT granted to the CBOC:

- ✓ To decide how bond funds are to be spent
- ✓ To advise the Board on issues of policy



ADDITIONAL REFERENCE

# Additional Reference

With insight and humor, *Win-Win* demystifies the complex but often transformative process of using bonds to fund improvements for California public schools and community colleges.

This updated and expanded third edition is a must-read for school administrators, school board members, and those involved with public school financing.

**Gain insight on**

- ▶ Laying the groundwork to place a bond measure on the ballot
- ▶ How to hold a successful bond election
- ▶ Effective voter communication and strategies
- ▶ Alternative bond structures to save taxpayers' money



For over 30 years, Dale Scott has been a financial advisor and bond campaign manager to California's K-14 public school districts. His efforts have repeatedly resulted in schools successfully meeting their goals while protecting taxpayers. Dale worked on Wall Street as an investment banker and managed Wells Fargo Bank's Public Finance Department. He was recently recognized by The Bond Buyer for developing the nation's first Teacher-Staff Housing GO Bond.

*"An important and timely book that makes school and college bond finance interesting and understandable. If there is a school bond in your future, I strongly encourage you to read this book to increase your chance for success."*

— BRICE HARRIS, CHANCELLOR (retired)  
California Community Colleges

*"Win-Win is the definitive guide for school administrators on how to garner community-wide support to obtain the long-term funding that is essential to building and maintaining quality schools. My district benefited from the strategies and expertise in this book, successfully passing bonds and a parcel tax in the toughest of times. It's truly a Win-Win for everyone."*

— TRUDY ARRIAGA, ED.D.  
Former Superintendent, Ventura Unified School District

[dalescott.com](http://dalescott.com)



WIN-WIN : AN INSIDER'S GUIDE TO SCHOOL BONDS 3rd Edition

DALE SCOTT

NEW CHAPTER ON FINANCING TEACHER-STAFF HOUSING

# win-win


## An Insider's Guide to School Bonds

*Improve Your Schools and Protect Local Taxpayers*



3rd  
EDITION

D A L E S C O T T



## Needs change. Innovation endures.

Some financial advisors like to brag about the number of deals they've done. We like to talk about the problems we've solved. DS&C delivers innovative, practical solutions that propel schools and communities forward.

**DS&C**  
THINKING FORWARD